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Classified By: Charge d'Affaires Luis Arreaga. Reasons:
1.4 (b) and (d).

Summary

11. (C) In its latest edition, the Panama Post covers the following stories:

- Pedro Miguel Gonzalez, wanted in the U.S. for the 1991 murder of U.S. serviceman Zak Hernandez, riding high in his campaign to be President of Panama's National Assembly;
- Jose Miguel Aleman to be Endara's vice presidential running mate according to Solis, but Endara silent;
- Cabinet renewal rumors (again);
- Patriotic Union courts Alberto Vallarino;
- Political commentator and human rights attorney Miguel Angel Bernal joins Panama City Mayor's race (again); and
- Third GOP official in ten months to be canned for malfeasance/mismanagement.

End summary.

Fugitive from U.S. Next National Assembly President?

12. (C) National Assembly Deputy Pedro Miguel Gonzalez, through an unnamed fellow governing PRD Deputy, approached Panama City popular radio talk show host and political commentator Edwin Cabrera on July 23 seeking to discuss his candidacy to be President of the National Assembly, Cabrera told POLCOUNS on August 1. (Note: Gonzalez remains wanted in the U.S. for the 1991 murder of U.S. serviceman Zak Hernandez. He is ineligible for a U.S. visa on terrorism grounds.) During their July 23 meeting, Gonzalez asked for Cabrera's assistance to get the media off his back with its scrutiny and criticism of Gonzalez's campaign to be President of the National Assembly. Cabrera, who writes op-eds for Panama City broadsheet daily La Estrella and edits that papers political rumor column, said he told Gonzalez that as a public official he should expect public scrutiny. Gonzalez then asked whether Cabrera thought it would be possible to "work out his difficulties with the U.S." were he to win election. Cabrera, who had not spoken with EMBOFFs about the matter, said that he thought the only way to "work out his difficulties" would be to surrender to U.S. justice. Asked how badly the U.S. would react, Cabrera said that he thought

the U.S. would react strongly, especially in the current post-9/11 world, and that Gonzalez's leadership role would raise difficulties for U.S. congressional approval of the U.S.-Panama Trade Promotion Agreement (TPA). POLCOUNS underscored for Cabrera that election of a terrorist to President of the National Assembly would draw a harsh reaction from the U.S. and would raise serious questions about the degree to which the PRD had indeed changed from its days as the party of the dictators, something that would have a negative impact on U.S. congressional deliberations on the TPA.

13. (C) Cabrera said that he believed that Torrijos was committed to securing the National Assembly Presidency for Gonzalez. While First VP and FM Samuel Lewis did not want to see Gonzalez's election cause bilateral problems, Gonzalez said that Lewis, for political reasons, would not act to block Gonzalez as he needed Gonzalez's support within the PRD to secure its presidential nomination. Cabrera confirmed that Gonzalez was one of Torrijos' primary conduits to the National Assembly and added that Gonzalez, an effective legislator, was widely popular among PRD National Assembly Deputies.

14. (C) Warning the GOP on the problems Gonzalez's election would create, Charge underscored to First VP and FM Samuel Lewis, in an August 2 conversation, that Gonzalez's election would "break new ground" and "jeopardize important issues like the TPA." Noting that the U.S. could not remain silent, Charge asked, how could U.S. Senators be expected to vote for the TPA with a country that had a man accused of the cold-blooded murder of a U.S. serviceman and other serious crimes as its National Assembly President? Lewis confirmed that Gonzalez had the votes, but Torrijos had not indicated his position on this election. Lewis wondered out loud as to whether there was a way for Gonzalez to meet with U.S. law enforcement authorities to discuss his situation. Charge responded that Gonzalez could surrender himself to U.S. law enforcement authorities; "It's that serious of a matter." Lewis said that he "got the message loud and clear." During a subsequent phonecall with Lewis, Charge emphasized that Gonzalez's situation was a terrorism case, plain and simple.

15. (C) Comment: Cabrera's reaching out to the Embassy is only the most recent of indications that Gonzalez's candidacy may not have been derailed yet. Panama City Mayor Juan Carlos Navarro told POLOFF at Colombia's National Day reception on July 26 that President Torrijos was not getting the U.S. message that Gonzalez's ascension to the helm of the National Assembly would raise problems and concerns for U.S.-Panamanian relations. Navarro asserted that that Torrijos was committed to elevating Gonzalez to President of the National Assembly. Also, the Panama Post has noticed an up-tick in political rumor column speculation that Gonzalez was on track for to be the next Assembly President, despite loud and clear warnings from the "fulos (Americans)." Gonzalez's family has a long-standing relationship with President Torrijos. For example, Gonzalez's father has served as a political mentor to President Torrijos. Gonzalez, according to several PRD and non-PRD contacts, also serves as a key channel of communication from Torrijos to the National Assembly and reports back to Torrijos on the inner workings of the legislature. Ultimately, no President of the National Assembly will be selected without Torrijos' blessing, regardless of how many votes a candidate might have among deputies.

Jose Miguel Aleman: VP candidate or Trojan Horse?

16. (C) "Remember I told you that (former President Guillermo) Endara had chosen his vice presidential running mate?" Endara advisor Menalco Solis asked POLCOUNS in an aside at Ambassador's July 23 lunch for Endara. "Well, here he is," pointing to Panamenista member and former presidential candidate Jose Miguel Aleman. Endara himself did not mention that he had selected Aleman as his running

mate. During lunch, Endara and Aleman professed to have sustained extensive political and policy discussions "since their 2004 losses to Torrijos," and strived to present themselves as political soulmates. Their joint availability with the press after lunch only stoked rumors that these two also-rans would join forces in 2009. Aleman's brother told Charge that the rumors that Jose Miguel Aleman had agreed to become Endara's running mate.

¶7. (C) The following day, on July 24, Panamenista Party President Juan Carlos Varela called POLCOUNS to say that he had learned from Aleman that Endara's lunch with the Ambassador had gone very well. For example, Varela knew accurately that Endara said during lunch that, while the "nationalist in him" wanted Noriega to return to Panama, the realist in him preferred to see him go to France where he would go to prison rather than run the risk of having Panama's courts release him to "stroll the Balboa Avenue," Panama City's main drag. Patriotic Union (UP) Secretary General Ricky Fabrega asserted to POLCOUNS on July 26, "Aleman is a Trojan Horse out to trick Endara," a sentiment with which political commentator and radio talk show host Edwin Cabrera concurred on August 1.

¶8. (C) Comment: Aleman showed up with Endara at the Ambassador's residence for lunch the day after he was elected to be a member of the Panamenistas' Board of Advisors, an election that was portrayed in the press as a successful exercise by Varela to seize the reins of this party from former President Moscoso. Aleman's engagement with the Moral Vanguard of the Nation (VMP) is undoubtedly feeding Endara's and Solis' preconceived notion that "life long Anulfista" Endara will be able to easily scoop up the Panamenista presidential endorsement. Appearing to base his judgement on political faith rather than strategy, Solis previously asserted to POLCOUNS that the Panamenistas would ultimately back Endara. Varela's self-assured satisfaction that he was aware of what Aleman was up to was either evidence that Aleman was a Trojan Horse or that Varela was badly miscalculating. Time will tell.

Cabinet Renewal on the Horizon?

¶9. (C) Minister of Government and Justice Ogla Golcher speculated to DCM on August 1 that Torrijos was prepared to "renew" his cabinet. Golcher, who had witnessed the Public Safety and National Defense Council (CSPDN)'s increasing control of operations that normally reported to her ministry like immigration, told DCM that she would not be railroaded by CSPDN Director Erick Espinoza or Deputy Director Marcel Salamin. Golcher added that Customs Director Daniel Delgado had complained to her about the CSPDN's excessive intrusion in its operations.

¶10. (C) Comment: Yes, rumors of cabinet changes yet again. The Panama Post will not hold its breath awaiting action on a cabinet shuffle, but would be remiss if it did not report these latest rumors. As for the CSPDN, the Panama Post has noticed the increasing degree to which the CSPDN's tentacles appear to be popping up across the GOP.

Patriotic Union: Angling for Vallarino

¶11. (C) "This next week will be critical for Patriotic Union Party (PUP)," party Secretary General Ricky Fabrega told POLCOUNS on July 26. "(Billy) Ford is in place as party president; now we need to get Alberto Vallarino to join us." While Ford "is desperate to run for President of Panama," Fabrega said that Vallarino had better name recognition, polled better, and was probably the only figure capable of unifying the opposition. If Vallarino joined PUP, the Panamenistas would be left without a viable candidate, a Panamenista-PUP alliance would be inevitable, and VMP would collapse, Fabrega asserted. Hopefully, no challengers to

Ford's candidacy to be party president would emerge by July 31 when the period for nominations for party positions would close. While some scoffed that Ford was a "newcomer" and should not be rewarded with the PUP presidency, Fabrega said that increasingly the rank-and-file understood that the fusion of the old Solidarity and Liberal National parties all UP members were "newcomers." By squaring away the senior party leadership and bringing Vallarino in as a likely presidential candidate, Fabrega said he thought PUP would have a bright future.

¶12. (C) Comment: Fabrega is probably placing too much importance on Vallarino, and his belief that with one move Vallarino's joining PUP would collapse Endara and force the Panamenistas into alliance with UP. Nonetheless, many political observers are carefully watching Vallarino to see what moves he makes. (Editorial Note: Update your rolodexes. Patriotic Union now wishes to be known as the Patriotic Union Party, so scratch out UP and pencil in PUP.)

Bernal for Mayor

¶13. (SBU) Long-time POL contact, political gadfly, and human rights lawyer, Miguel Antonio Bernal announced his candidacy for Panama City Mayor on July 29. Bernal ran a distant second to current mayor Juan Carlos Navarro in 1999. Calling for Panama City voters to end the "monopoly" by the Democratic Revolutionary Party (PRD) on the city's mayorship, Bernal announced that he would accept support from whatever parties wished to support him, though he acknowledge that PRD would not even offer him a "piece of candy." Comment: While he will likely be able to collect the requisite 70,000 signatures to get on the ballot, Bernal stands almost no chance of defeating either current PRD Minister of Housing Balbina Herrera or current Panamenista National Assembly Deputy Jose Blandon, but will likely add a lively element to the campaign.

Third GOP Official to Get Boot for Mismanagement

¶14. (C) In response to the "luxury cell" scandal, the GOP was going to fire Prison Director Carlos Landero, Minister of Government and Justice Olga Golcher told DCM on August 1. On Landero's watch, imprisoned drug kingpins upgraded Panama's normally grim and grungy cells in a "maximum security prison" by installing plasma screen televisions, comfortable living room furniture, and even remodeling bathroom areas with new tile work and comodes, as extensively reported in Panama's news media. Golcher commented that Landero would be the third GOP official in the past twelve months to get the boot for malfeasance and/or mismanagement. Two weeks ago, Torrijos dismissed Jose Gomez, commander of the Institutional Protective Service (SPI), after members of this praetorian guard weighed into a crowd of peaceful protestors near the presidential palace beating and mandhandling several demonstrators. Last November, in the wake of the October 23 bus fire tragedy, the head of Panama's Ground Transportation and Transit Authority (ATTT) was fired for lax enforcement of safety standards.

¶15. (C) Comment: While Golcher is right that Landero, if fired, would be the third removal of a Torrijos Administration official for mismanagement, it should also be noted that each removal happened only in the wake of enormous public outcry in an effort to staunch political hemorrhaging. Gomez's removal, for example, came only days after his SPI officers -- adorned in Chavez-esque red berets, as characterized by Panama's media -- brutally assaulted peaceful demonstrators imploring Torrijos to act nine months after dozens of hundreds of Panamanians died because they ingested GOP-produced medicines adulterated with diethylene glycol. Faced with similar outrage in the "luxury cell" matter, Torrijos is likely to kick out Landero. In other cases of apparent mismanagement, the GOP has not removed officials.

For example, with respect to the diethelylene glycol poisoning, the Torrijos Administration has been upset at the Attorney General's aggressive investigation of Social Security System (CSS) Directors, including one with close ties to Minister of the Presidency Ubaldino Real, PRD Majority Leader Leandro Avila, and Minister of Housing Balbina Herrera. Also, rather than remove former Immigration Director Ricardo Vargas for mismanagement, including for improper issuance of visas to "criteria" countries without CSPDN concurrence, Torrijos instead installed Vargas as the Public Defender or Ombudsman (Defensor del Pueblo).

Arreaga